



New Jersey Department of Children and Families Policy Manual

Manual:	CP&P	Child Protection and Permanency	Effective Date:
Volume:	IX	Administrative	
Chapter:	F	Fiscal	8-23-1991
Subchapter:	1	General Fiscal	
Issuance:	100	Independent Contractors and Consultants	

Independent Contractors and Consultants

Purpose 8-23-91

To establish CP&P policy and procedures governing the selection and use of vendors functioning as independent contractors and/or consultants. The procedures vary depending upon the nature and/or cost of the requested services (see scope section). This policy incorporates the basic policies and procedural requirements in policy circulars issued by divisions of the Department of the Treasury (see references section).

In addition, there must be compliance with Administrative Orders 6:13 and 6:14 for information systems development and maintenance efforts.

References 8-23-91

Applicable to policy in this manual section are the following sources: Office of Management and Budget (OMB) Circular Letters 88-04, Review of Consultant/Professional Requests by the Division of Management Services, Office of Management and Budget and, 85-22, Purchase of Goods and Services from Rutgers, the State University, the University of Medicine and Dentistry of New Jersey, and the New Jersey Institute of Technology; Government Services Agency (GSA) Procurement Circulars 25A, Request for Waiver of Advertising, 25B, Request for Waiver of Advertised Bidding for Consultant/Professional Services, 23D, Direct Purchase Authorization; Office of Telecommunication and Information Services (OTIS) Policy Statement 84.1, Responsibilities Associated with Systems Development. All reference data is on file with the Office of Accounting.

Definition 8-23-91

For purposes of this policy, an independent contractor/consultant is defined as an individual or organization outside of the Division who, for a fee, renders professional services in such areas as program planning and evaluation, organizational development and work analysis, information system development, operation and procedures analysis, electronic data processing, training and management policies and practices.

Scope 6-1-89

The scope of this policy applies to all independent contractor/consultant arrangements, regardless of cost. In order to identify and comply with the various requirements imposed by the Treasury Department, it is necessary to categorize consultant services according to the nature and/or cost of the services. These categories are as follows:

Less Than \$2500 6-1-89

Consultant services (except for data processing and telecommunications) for which the estimated cost is less than \$2500 are subject only to CP&P policy and procedures.

More Than \$2500 6-1-89

Consultant services requests for which the estimated cost exceeds \$2500 are forwarded to the Division of Management Services, Office of Management and Budget (OMB) for review prior to making any commitment to any self-employed consultant or consulting organization. In addition, any proposed use of consultants involving estimated costs which exceed \$7000 is subject to the State bidding process. OMB Circular letter 88-04 identifies the following classes of consultant services:

1. Those, which are of an advisory nature, whether funded by state or non-state sources. This category includes services related to program planning and evaluation, organizational development, work analysis, financial and/or management analyses and audits, and similar services which result in an analysis and recommendation for improvement.
2. Those which are of an operational (specialized) nature such as engineering services, physician's services, and electrical inspection, rate setting or administration of tests. (OMB review and approval is not required for services of this nature).

NOTE: Consulting services, arranged for the benefit of CP&P clients and/or family members of clients under CP&P supervision, or which are utilized by Local Offices in the course of providing preventive services, fall within this category and are, therefore, excluded from OMB review. However, services of this nature should be arranged for in accordance with CP&P policy concerning use of vendor agreements.

3. Those which pertain to electronic data processing, information systems including office automation, telecommunications, and data processing services of an operational nature, whether funded by state or non-state sources or provided "free" by vendors.

Examples of these types of services include: information systems planning, problem definition, needs analysis, project planning, user requirements, functional analysis, feasibility studies, cost benefit analysis, conceptual design, preliminary design, detailed

design, program design, programming, program testing, system implementation, operation of systems, maintenance of systems, and or facilities management.

4. Those that do not clearly fall into one of these categories. Such cases shall be submitted to the Division of Management Services, OMB for review. The requesting agency will be advised on how to proceed.

More Than \$7000 6-1-89

All individual requests for consulting or individual contractor services in excess of \$7000 must be procured via the state bidding process. For specific information and details in the process, please contact the Purchase Unit in the Office of Facilities, Management and Development.

NOTE: Excluded from this category are all requests for services relating to data processing and telecommunications services.

Information Systems Planning 6-1-89

Consulting services for information systems planning through conceptual design are available at no cost (assuming available staff) from the Division of Management Services, OMB. The balance of the services are available from OTIS. These sources should be contacted prior to requesting outside consulting services.

Consulting Services for Training 6-1-89

Contact the Training Office for additional regulations from the Department of Children and Families and the Civil Service Commission.

Guidelines for Determining the Need for an Independent Contractor/Consultant 6-1-89

Prior to requesting the services of an independent contractor/consultant the individual unit considering the use of these services should make the following determinations.

- Is the service or project really necessary to accomplish the established goals and objectives of CP&P?
- Can the project be accomplished through the CP&P' own capabilities, especially if other lower priority activities are postponed or the project under consideration is postponed until staff is available?
- Can the service or project be accomplished by an ad hoc task force drawn from within the CP&P or comprising a mixture of CP&P and other personnel from other agencies or departments within the state?

- Can assistance be obtained from other state agencies, e.g., OMB, Division of Management Services, Treasury Internal Audit Unit, the Office of Telecommunications and Information Services?
- Could the project be funded from outside sources as a research or program development effort--federal or private?

General Requirements 6-1-89

The requesting CP&P unit develops project specifications (scope) which precisely define the nature of the work the consultant/contractor will perform, including consultant/contractor responsibilities, deliverables, time frames and costs.

Appropriate and effective use of consultants requires careful and continuous supervision (management) while the effort is in progress. Unless otherwise specified, management and monitoring of the consultant's performance will be the responsibility of a designated staff person in the cost center requesting the services.

With the required formal approval, an independent contractor/consultant will be expected to:

- commence work for CP&P on the effective date of the agreement;
- complete work prior to the expiration date of the agreement;
- be paid up to the maximum rate or total dollar amount specified in the agreement; and
- meet all other terms, conditions or requirements of the agreement.
- The requesting CP&P unit prepares a final report detailing how the original goals and objectives of the project were met.

Procedures 6-1-89

RESPONSIBILITY	ACTION REQUIRED
Requesting Unit	<ol style="list-style-type: none"> 1. Identify need for services of a consultant. 2. Conduct "informal bid process" to obtain cost estimates. This process is to be documented and should consist of at least three (3) informal bids from consultants. Obtain copies of each

	<p>consultant's resume identifying work experience and general qualifications.</p> <p>NOTE: UNDER NO CIRCUMSTANCES SHOULD ANY COMMITMENTS BE MADE TO PROSPECTIVE CONSULTANTS DURING THIS PHASE OF THE PROCESS.</p>
Requesting Supervisor	<p>3. Document the need and the Unit informal bid process. Forward for the review and approval of the senior staff member having organizational responsibility for the requesting unit.</p>
Senior Staff Member	<p>4. Sign the documentation, approving or denying the request in writing.</p> <p>5. If approving the request, forward it to the Chief Budget Officer for certification of available funds and for purposes of identifying the appropriate funding source.</p>
Chief Budget Officer	<p>6. Sign the request and forward to the CP&P Director (or his/her designee) for review and approval.</p>
CP&P Director	<p>7. a) If approving the request, sign and forward to the Office of Contract Administration.</p> <p>b) If disapproving the request, return it to the appropriate senior staff</p>

	member.
Office of Contract Administration	<p>8. Upon receipt of approved request from the CP&P Director's office:</p> <ul style="list-style-type: none"> a. establish and maintain a file of all approved requests for consultant services,
Office of Contract	<ul style="list-style-type: none"> b) assign an approval number to each approved request, and c) forward a copy of the approved request to the appropriate senior staff member <p>9. Review the approved request to determine the appropriate course of action consistent with Treasury requirements:</p> <ul style="list-style-type: none"> a. If estimated costs of service are less than \$2,500, work with designated project manager to finalize a Personal Services Agreement, and forward a copy to the Management Coordinator, Office of Accounting for recording the obligation. b. If estimated costs are in excess of \$2,500, work with the project manager in contacting Treasury's Office of Management and Budget, Division of

	<p>Management Services, for assistance and direction;(see Circular Letter 88-04 for specific requirements).Because of the various possible options available to the Division of Management Services at this point of the process, the specific procedures followed by CP&P vary according to the direction provided by Management Services. If, however, the Division of Management Services determines that CP&P should seek outside consulting services, CP&P submits appropriate State purchasing documents and accounting documents. Obtain assistance in the preparation and internal processing of these documents from the DCF Office of Accounting.</p> <p>10 .Receive and maintain copies of periodic progress reports from project managers and prepare periodic status reports for the CP&P Director's review.</p> <p>11. Monitor progress of consulting arrangements to ensure compliance with the agreement.</p> <p>12. Insure the completion of a final evaluation report by the project manager. If required by the Division</p>
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	of Management Services, insure that a written evaluation report is forwarded for their review.